

2012-120 AUDIT SCOPE AND OBJECTIVES—State and Regional Water Quality Control Boards—Section 401 Certification

The audit by the California State Auditor will provide independently developed and verified information related to the State Water Quality Control Board (state water board) and the nine Regional Water Quality Control Boards' (regional water boards) section 401 certification process as it relates to the California Department of Transportation (Caltrans), and will include, but not be limited to, the following:

1. Review and evaluate the laws, rules, and regulations significant to the audit objectives.
2. Determine how the state water board ensures consistent practices across regional water boards for making section 401 certification decisions and for investigating and enforcing violations.
3. With regard to the "best management practices" reflected in a selection of section 401 certifications, do the following:
 - a. For the state water board and a selection of regional water boards, determine whether the definition of "best management practices" is consistent with applicable laws, rules, and regulations.
 - b. Determine how the state water board ensures that regional water boards use a consistent definition of best management practices.
4. For a selection of section 401 certifications related to Caltrans, determine the following:
 - a. Whether the regional water boards conducted the section 401 certification process in accordance with applicable laws, rules, and regulations.
 - b. Whether the requirements or conditions in the section 401 certification are clearly presented and consistent with applicable laws, rules, and regulations.
5. For a selection of enforcement actions against Caltrans related to violations of section 401 certifications, determine whether the regional water boards complied with applicable laws, rules, and regulations when doing the following:
 - a. Gathering evidence and conducting investigations.
 - b. Conducting hearings.
 - c. Imposing civil administrative fines or taking other enforcement actions.
6. Determine whether the regional water boards have adequate practices in place to avoid conflicts of interest, including practices to adequately address conflicts of interest that were identified.

7. For the most recent five years, quantify the cost of staff at a selection of regional water boards and at Caltrans for participating in the section 401 certification enforcement process.
8. For the most recent five years, quantify fines collected by the regional water boards based on Caltrans' section 401 certification violations and determine whether a selection of those fines have been used in accordance with state requirements, including any required deposits to the state General Fund.
9. Review and assess any other issues that are significant to the state water board or the regional water boards' section 401 certification process.